

**TITLE: SYSTEM AND METHOD FOR EVALUATING REGULATORY
COMPLIANCE FOR A COMPANY**

FIELD OF THE INVENTION

The invention relates to a system and method for evaluating compliance of a company to regulatory requirements, in particular, a method for a company listed on a stock exchange to evaluate its compliance to regulatory requirements for the exchange.

BACKGROUND OF INVENTION

When a company is listed on a trading exchange, such as the New York Stock Exchange
10 (NYSE), the NASDAQ, the Toronto Stock Exchange (TSX), the FTSE or any other stock
exchange, the company must comply with reporting requirements and corporate governance
requirements mandated by the stock exchange in order to maintain its listing thereon. Reporting
requirements may include timely filing of annual reports, quarterly reports and other reports
within deadlines based on the fiscal year-end date. Governance requirements may include
having a corporate policy in place regarding accounting procedures. Also, federal, state and
provincial laws must be followed. Failure to comply with the requirements may lead to penalties
being assessed against the company and its officers and directors. The penalties may include
fines, sanctions and in an extreme scenario, removal of the company from the exchange.
Further, non-compliance with the requirements may cause a loss of confidence in the stability of
20 the company, potentially leading to a sell-off of the shares of the company and a reduction in its
stock price.

As companies become larger and more diverse and as corporate filings and legal requirement change, it is becoming increasingly difficult for a corporation to ensure that it is in compliance with all the regulatory requirements of a governing body. For example, the reporting requirements under the Sarbanes-Oxley Act in the United States imposes stiff penalties for non-compliance with its reporting requirements, which are in addition to reporting requirements to the relevant exchanges. There is a need for a system which provides an evaluation of a company's efforts to comply with such requirements.

SUMMARY OF INVENTION

10 In a first aspect, a method for tracking compliance by a company to regulatory requirements is provided. The method comprises the following steps: defining company records relating to the company and storing company records in a database; defining questions related to requirements found in the regulatory requirements and storing the questions in the database; defining default answers related to the questions and storing the default answers in the database; assigning the questions for answering by a user at the company; receiving answers from the user and storing the answers in the database; upon request, conducting an evaluation of compliance by the company to the set of regulations by accessing the database, extracting the answers, the questions and the default answers therefrom, evaluating the answers against the default answers and determining therefrom a compliance level of the answers to the regulatory requirements; and generating a report of regulatory compliance providing the compliance level.

20 The method may have the compliance level being selected from one of the following levels: incomplete compliance if the answers do not contain answers for all questions in the set of questions; full compliance if the answers are complete and the answers match requirements of

the default answers; and non-compliance if the answers are complete and the answers do not match requirements of the default answers.

The method may assign the questions for answering by the user by associating a title with the user and associating the title with the questions.

The method may further define control documents relating to the regulatory requirements, where the control documents provide text extracted from the regulatory requirements. The control documents may be stored in the database. Further the method may generate the report with a first link to the set of questions and a second link to the set of control documents.

- 10 The method may further track any changes made to the compliance level and, upon request, produce an audit report identifying the any changes made to the compliance level.

In the method, the company records may comprise a hierarchy of records and the questions may comprise a hierarchy of records containing the default answers. Further, the control documents may comprise a hierarchy of records and may be linked to the questions and may be linked to the companies.

The method may further, upon request, produce a calendar of events for a timeframe associated with the regulatory requirements. This may be done by accessing the database, extracting events from the database which are associated with the regulatory requirements for the timeframe and generating a calendar report of the events from the database.

- 20 In a second aspect, a system for tracking compliance of a company against a regulatory requirement is provided. The system comprises a database, an administrative module, a user entry module, a database access module, a question module, an evaluation module and a report module.

The database contains the following records: records relating to the company and other companies; question information related to the regulatory requirement including questions and default answers related to an aspect of the regulatory requirement associated with the company; a user of the system associated with the company; and other user associated with other companies. The administrative module allows entering of administrative data relating to the company and storing of the administrative data in the database in the company record. The user entry module allows entering of user data relating to the user and storing the user data in the database in the user record. The database access module accesses the database and determines relevant questions for the user utilising the user and the company data in the database. The question
10 module provides the questions to the user, accepts answers to the questions and stores the answers in the database. The evaluation module evaluates compliance by the company to the aspect of the regulatory requirement. It accesses the database, extracts the answers and the default answers, evaluates the answers against the default answers and determines therefrom a compliance level of the answers to the aspect of the regulatory requirement. The report module generates a report of regulatory compliance providing the compliance level.

In the system the evaluation module may determine the compliance level from a selection from one of the following levels: unassigned compliance if the user has not been entered into the system; incomplete compliance if the answers do not contain answers for all questions in the questions; full compliance if the answers are complete and the answers match requirements of
20 the default answers; and non-compliance if the answers are complete and the answers do not match requirements of the default answers.

In the system the database may further comprise control documents relating to the regulatory requirement, providing text extracted from the regulatory requirement. Also, the

report module may further produce a first link to the questions and a second link to the control documents.

The system may further comprise a module for tracking any changes made to the compliance level and for producing an audit report identifying the any changes made to the compliance level.

The system may further comprise a calendar module to produce a calendar of events for a timeframe associated with the regulatory requirement. The calendar is produced by accessing the database and extracting events from the database which are associated with the regulatory requirement for the timeframe and generating a calendar report of the events from the database.

10 The system may have a super user whom has access to the system. Further, the system may be responsive to requests from the super user in accepting data associated with the user and in generating the report.

In the system, the module for entering user data relating may further associate a title with the user and the module for providing questions to the user may utilise the title to identify the questions for the user.

The system may generate a report for the super user indicating a list of questions assigned to the user.

The system may provide a user with access to the system through a web-enabled computer and the super user with access through a second web-enabled computer.

20 In the system, the regulatory requirement may relate to a requirement for a stock exchange.

In other aspects of the invention, various combinations and subset of the above aspects are provided.

BRIEF DESCRIPTION OF THE DRAWINGS

The foregoing and other aspects of the invention will become more apparent from the following description of specific embodiments thereof and the accompanying drawings which illustrate, by way of example only, the principles of the invention. In the drawings, where like elements feature like reference numerals (and wherein individual elements bear unique alphabetical suffixes):

- 10 Fig. 1 is a diagram of a computer providing access to a web-site providing an interface for a user to a system embodying the invention;
- Fig. 2A is a diagram of a login screen of the web-site of Fig. 1;
- Fig. 2B(i) is a diagram of an organisation template screen of the web-site of Fig. 1;
- Fig. 2B(ii) is a diagram of profile template screen of the web-site of Fig. 1;
- Fig. 2C is a diagram of a question group screen of the web-site of Fig. 1;
- Fig. 2D is a diagram of a control document screen of the web-site of Fig. 1;
- Fig. 2E is a diagram of a report screen of the web-site of Fig. 1;
- Fig. 2F is a diagram of a calendar screen of the web-site of Fig. 1;
- Fig. 2G is a diagram of an audit report screen of the web-site of Fig. 1;

Fig. 3 is a block diagram of the system of Fig. 1; and

Fig. 4 is a block diagram of a data structure associated with the system of Fig. 3.

DETAILED DESCRIPTION OF THE EMBODIMENTS

The description which follows, and the embodiments described therein, are provided by way of illustration of an example, or examples, of particular embodiments of the principles of the present invention. These examples are provided for the purposes of explanation, and not limitation, of those principles and of the invention. In the description which follows, like parts are marked throughout the specification and the drawings with the same respective reference numerals.

10 Referring to Fig. 1, the invention described herein provides a system and method for managing information relating to a company and evaluating regulatory compliance requirements, such as requirements for maintaining a listing on a stock exchange. An embodiment of the invention is system 100 which provides a web-enabled application accessed by a user of computer 102 through network 104 enabling a company to continuously monitor the status of corporate governance requirements for the company and identify and control compliance actions. As the user navigates through the application, different input screens and report screens are generated on computer 102 by the application. Exemplary input screen 106 is shown. To access system 100, the user accesses the web-site of the system by typing in its address at the command line of a web browser program operating on computer 102. Preferably, the web-site is a secure
20 site, using secure socket layer (SSL) technologies.

At a basic level, system 100 provides access to software which provides a user with a series of predefined questions relating to specific operations of the company, its structure and its reporting activities. The answers from the user are logged in system 100 and are provided to a compliance engine which analyses the answers against identified compliance requirements. System 100 then generates a compliance report indicating areas in which the company is and is not in compliance with the compliance requirements.

To facilitate processing of questions, system 100 organises questions into groups. For example, questions relating to financial reports may be grouped into a financial group of questions; questions relating to litigation matters may be grouped into a litigation group of questions. Each group of questions may be assigned to a different person in the company. For example, the chief financial officer (CFO) may be assigned to answer the financial group of questions and the corporate counsel may be assigned to answer the litigation group of questions.

As there is the possibility of having several persons at the company using system 100, system 100 provides different levels of access to different users. There are two types of users at the company: a super user and a "normal" user. The super user is a person whom has access to the most features of system 100 for a given company. The super user can designate whom in the company: has access to which set of questions; can monitor the status of the answers provided by the persons; and can view the reports generated by system 100. Typically, the super user is the highest-ranking person at the company, such as the Chief Executive Officer (CEO). For the purpose of system 100 described herein, the term "super user" shares some, but not all capabilities as a UNIX system administrator "super user". A "normal" user (herein simply "user") is a person at the company whom has been assigned to answer a set of questions. There

are typically many users at the company. The super user can also add and delete users from system 100, assign organisational roles to users and view all answers submitted by a user. For the administration of the system, there are two types of users: an administrator and a data entry user. The administrator is the overall system administrator and has the most control over operational aspects of system 100. Typically, the administrator is an operational person who is responsible for maintaining the operation of system 100 itself. After a super user is identified, the administrator provides him with an account comprising a super user identification (ID) and password for the company. A data entry user is a person whom enter tables, charts and data relating to the questions, answers and control of system 100.

10 Referring to Fig. 2A, when a user accesses system 100 login screen 200 of the web-site is presented wherein login prompt 202 invites the user to key in the company name, his account name and his password. In the embodiment, the account name for the super user is his email address; however other account names may be used in other embodiments. The password may be changed by the user. The generation of login screen 200 and processing of the data inputted thereto use data processing techniques and data structures well-known in the art.

 Referring to Figs. 2B(i) and 2B(ii), in order to have system 100 evaluate a company, certain details about the operation and size of the company must be provided to system 100. This is preferably done by the super user. After the super user logs into system 100, system 100 presents an option screen to him (not shown), where organisational charts and company profiles
20 may be completed. In Fig. 2B(i), one option allows the super user to complete template 204 for an organisation chart for the company. When this option is selected, the super user is presented with template 204 allowing him to identify the CFO, the general counsel, the corporate secretary,

the finance administrator and the investment administrator for the company. After users are identified fields 206 in template 204, system 100 automatically assigns certain sets of questions to certain persons in the company. Such assignments may be overridden by the super user to assign the questions to other people, as necessary. Referring to Fig. 2B(ii), super user can access profile template 208 which provides fields 210 where key administrative and organisational aspects of the company can be provided to and stored by system 100. The aspects include the fiscal year end date, the address and the exchange ticker. Such information is stored and used by the company to track filing deadlines.

Referring to Fig. 2C, after initial administrative details about the company are provided to system 100, system 100 can be used to evaluate the compliance of the company to the related regulatory regimes. This is accomplished by having users of system 100 provide answers to compliance questions for the company. In order to facilitate processing of questions and their answers, questions are collected into groups of questions, such as exemplary question group 212. Question group 212 provides compliance questions relating to audit procedures of the company. Other question groups may relate to reporting procedures and accounting procedures for the company. These other question sets may be provided to other persons in the company for answering.

Further detail is provided on aspects of questions within question group 212. As shown, question 214 presents the user with the question:

20 “Does the Company's audit committee pre-approve all permissible non-audit services and all audit, review and attest engagements required under the securities laws?”

It will be seen that the phrasing of question 214 is preferably restricted to ensure that the only possible answers are provided in answer selection 216, namely only either “Yes”, “No” or “Does Not Apply (DNA)”. This restriction minimises possible misunderstanding the intent of question 214 by the user and mis-keying of answers by the user. System 100 is enabled to accept an answer input from the user for each question and to record each answer against each question. In one embodiment system 100 may provide a series of “radio buttons” for each answer for selective activation by the user. A dialog box may be provided with certain questions allowing the user to elaborate on the answer provided. For example, in the dialog box, a reference may be provided to a relevant part of the company’s annual report. Each question group 212 may

10 include tens of questions or more. As such, the full set of questions in question group 212 is provided to the user one screen at a time. For each screen, there is a confirmation box 218 at the bottom of the screen. Confirmation box 218 asks the user if the answers provided to the questions in the current screen for question group 212 are correct; the user must be completed with a confirmation “Yes” selection 220 to submit answers to the displayed question group 212 to system 100. Preferably, upon confirmation of the questions in the screen, the answers thereto are provided to system 100. After answers to a screen of questions in question group 212 are submitted to system 100, they are entered in to a decision matrix in a database associated with system 100 for further processing. Further detail on the decision matrix is provided below.

Further detail is provided on records used by system 100 to facilitate tracking and

20 evaluation of answers provided by a user to questions posted by system 100. The main types of documents used to organise the questions are: control documents, questionnaires, questions groups, and help files. While the documents provide text information to the user, inherent relationships amongst parts of the documents to other documents link the documents to each

other. Such links, as will be described in greater detail below, provide flexibility in associating many companies to certain control documents, many users to certain companies and various reports to various users.

Referring to Fig. 2D, each question group 212 is associated with a control document. Exemplary control document 222 provides information relating to governing regulatory provisions for the related question group 212 (Fig. 2C). Specifically, control document 222 provides exact rules, regulations and legislation for which a company must comply for the related governing body. As such, the user may review the control documents to identify how the answers are out of compliance and what corrective measures, if any, need to be taken.

10 It will be appreciated that control document 222, as an extract from compliance regulations or legislation, contains information and requirements in a series of structured, hierarchical levels following well-understood nested paragraphs. System 100 has a data structure which provides a template of the structure and contents of each control document in order to track and process the requirements of the control document against answers provided to questions. To assist with tracking the levels and the answers associated with them, each level is classed into a ranked level. As shown, control document 222 organises the information into 5 levels:

- 20
 1. Master level 224;
 2. Section level 226;
 3. Subsection level 228;
 4. Paragraph level 230; and
 5. Point level 232.

Each level may contain none, one or more subordinate levels thereunder. At each level, each entry at that level reflects a condition, as data, which must be complied with by the company. As

such, master datum 234 are entries associated with master level 224; section datum 236 are entries associated with section level 226; subsection datum 238 are entries associated with subsection level 228; paragraph datum 240 are entries associated with paragraph level 230; and point datum 242 are entries associated with point level 232. Collectively, the datum provide all conditions which must be satisfied by the company in the control document.

Also, each control document 222 is associated with one questionnaire. In system 100, a questionnaire provides a shortened version of the relevant section of control document 222 and all of the question groups associated with the control document. The questionnaire may be viewed by a user to enable him to get an overall view of the questions in all the question groups and the regulatory provisions relating to the questions.

Also, a help file is associated with each control document, the related set of questions and the questionnaire. Each help file is accessible as an html link in the web page to assist the users to educate themselves in regard to the information contained within the control documents and avoid the complexities of dealing with the statutes, rules and regulations on their own.

Referring to Fig. 2E, returning to the description of the processing of answers to question groups 212 by system 100, contents of the control documents and the submitted answers to question group 212 are used to evaluate the compliance of the company to the related requirements in the control group. As noted earlier datum 234, 236, 238, 240 and 242 (all of Fig. 2D) in a control document 222 define conditions and standards for compliance to the control document. In system 100, those conditions and standards defined by the datum are processed by a compliance evaluator process (described in further detail below) with answers provided to the

related question group 208 to produce reports summarising the results of the compliance evaluation.

System 100 continually tracks answers to question group 212. It notifies the super user whether assigned question groups have been answered and which sets remain unanswered. The super user can initiate processing of the compliance evaluator at any time. After processing the answers through the compliance evaluator, system 100 generates several reports indicating the level of compliance for a client company. These reports will indicate whether the company is in compliance with governance requirements. Report 244 is an exemplary governance compliance report generated on the basis of existing answers provided to question group 212 to system 100.

10 Therein, for each control document 222, an entry in column 246 is provided. For each control document entry in column 246, there is a corresponding entry for: (i) a questionnaire in column 248; (ii) a question group in column 250; (iii) a user associated with the question group in column 252; and (iv) a status report of the question group in column 254. The status report is generated by system 100.

In the embodiment, the compliance evaluation process in system 100 generates four possible statuses: "Pending Allocation", "Pending Completion", "Compliant", and "Non-compliant". A "Pending Allocation" report indicates that the question group has not been assigned to a person; the typical corrective action is that the super user will identify an appropriate person to be responsible for answering the question group. A "Pending Completion"

20 report indicates that the question group has been assigned to a person, but that the person has not yet fully completed answering the questions therein. A "Compliant" report indicates that all of the questions in the question group have been answered by the assigned user and that all of the

answers meet the requirements for the related control document. A "Non-compliant" report indicates that all of the questions in the question groups have been answered by the assigned users, but that at least one of the answers does not meet the requirements for the related control document. Corrective action may be taken to identify the question having an non-compliant answer by examining the control document for its requirements and comparing the requirements against the answers provided by the user in the question group. Administrative corrective actions, such as a change in governance policies for the company, may need to be implemented in order to allow the non-compliant answer(s) to be changed to a compliant answer. Further detail on the operation of the compliance evaluation process using the decision matrix is

10 provided below.

Referring to Fig. 2F, system 100 has a calendar module which provides a visual tool to see deadlines in a calendar format. For example, a company listed on the NYSE must file a quarterly report on Form 10-Q (or Form 10-QSB) with the NYSE within 45 days after their fiscal quarter end. Using the year-end date provided in the set-up, system 100 monitors for completion of question groups (212, Fig. 2C) that relate to the quarterly report. If system 100 determines that the answers to the sets of questions are incomplete within a certain window of time before the deadline, then it automatically advises the super user, preferably via e-mail, of the deadline. The super user may then remind the users assigned to answer those sets of questions. In other embodiments, reminders may be generated and sent from system 100 to the users. In calendar

20 screen 256, system 100 generates a convenient interface via a selectable monthly calendar which provides the super user with highlighted due date and events on a calendar month. On a particular day in the month, if there is a deadline for an event, such as event 258, the event is highlighted as an html link. When the super user activates the link, a page is displayed,

preferably in a new window, providing information on the specific deadline and requirements associated with the event. The events are associated with question groups. As such, system 100 can determine the user associated with the question group and can then notify the super user that the user still must complete the question group in order to meet the deadline associated with the event. At that point, the super user may take whatever actions necessary (e.g. send an email reminder) to have the user answer the question group.

Referring to Fig. 2G, system 100 also provides audit report 260, which can be used to track changes made to questions and reports. In particular, for the compliance reports, the super user has the ability to override any status of any report to a different status. For example,
10 although answers provided to the question group relating to the Audit Report may currently generate a “Non-Compliant” status report, the super user may change the status to “Compliant” for that question group. However, system 100 tracks changes made to the compliance profile for that question group in an audit trail. In particular, system 100 notes the control document, the question group, the date of the change and the identity of the super user as part of the audit trail. The audit trail provides information which may be used to support the need for “whistle blowing” provisions as required by legislation, such as the Sarbanes-Oxley Act.

It will be appreciated that system 100 provides a single point of maintenance for implementing changes to the sets of questions, the control documents and the help files. As such, updates to compliance requirements may be automatically distributed to all companies
20 using the service for distribution to each company’s affected personnel, as identified through each company’s organisational chart stored in the database associated with system 100. It is

preferable that maintenance of the documents be provided by qualified personnel, such as lawyers familiar with compliance requirements for a given regulatory body.

System 100 also automatically archives all system reports including audit report 260. Typically, archives are generated two weeks after the end of each quarter for each company.

To provide security, system 100 preferably utilises secure socket layer (SSL) connectivity interfaces and encrypts the data transferred between users and system 100. Firewalls and intrusion detection system are provided to detect viruses and unauthorised access attempts to system 100.

Referring to Fig. 3, further detail on system 100 and computer 102 is provided, shown
10 generally at 300. System 100 provides a server to a series of client, such as computer 102, via connections through network 104. As such, many users at a company can access system 100 and many other users at many other companies can access system 100.

System 100 is a computer having typical elements thereon, including a processor (not shown), memory (not shown), secondary storage (not shown) and input/output devices (not shown). Software operating on system 100 provides the functional control elements to control operation thereof. In particular presentation module 302 accesses a series of templates to populate and generate the various screens produced by system 100. Application module 304 provides the main information processing and report generation modules for system 100. Application module 304 includes web channel logic servlet 306, process logic module 308,
20 function logic module 310, web presentation module 312, file server 314 and database server

316. Elements in system 100 have a control layer utilising using Java Servlets, JavaBeans and ResourceBundles that adhere to a modified Model-View-Controller (MVC) design.

Operation of system 100 is illustrated using an example of processing of information provided by a company. As noted before, initially, a company accesses system 100 and identifies a super user, typically the CEO. The CEO, or his agent, is responsible for populating organisation template 204 and profile template 208. The information is stored in database server 316 as records.

Database server 316 accesses and maintains a database containing a series of records relating to the control documents relevant to the exchange in which the company is listed. As
10 such, there are a series of records relating to the series of control documents, a series of records relating to the questionnaires associated with the control documents and a series of records related to the questions associated with the control records. When the users provide answers to the questions, the answers are processed by process logic module 308 against requirements dictated by the control documents. While the control documents present the text of the regulatory requirements, mapping of those requirements into computer code is provided in the compliance evaluation process which is part of processing logic module 308. The compliance evaluation process considers all possible answers from the questions and generates all possible compliance and non-compliance outcomes based on the answers provided following the Boolean logic described earlier. As such, each iterative submission of answers (on a web-page by web-
20 page and user-by-user basis) are provided to the system and the decision matrix.

When the super user completes organisation template 204, system 100 creates a record for each individual noting his title, name and email address. In system 100, the title of the

person provides a predefined association to a series of question groups. For example, the CFO is associated with questions relating to financial matters. As such, an appropriate query can be generated by system 100 to access all relevant question groups for a person having a specific job title. In system 100, the super user can amend the list of questions associated with a person having a given title and can further build custom associations to questions for a person having a different title. For system 100, the identity of the user and the related company are the keys which provide links to identify the appropriate question groups to the user.

The control document also defines deadlines for reporting activities by the company. System 100 tracks deadlines based on the fiscal year end information (provided in profile
10 template 208, Fig. 2B(ii)) associated with the company and any other hard deadlines defined from the control documents. In addition to tracking the deadlines, activities associated with the deadlines are also tracked. Further, system 100 has a mapping in which the generated deadlines are associated with the related control documents and question groups. As such, system 100 can identify deadlines for the calendar screen 256 and can identify what activities must be completed for the deadline and what persons are responsible for completing those activities. All this information is available to super user when accessing calendar screen 256.

Referring to Fig. 4, further detail on the records in database server 316 is provided. Relationship chart 400 shows relationships between records structures contained within the database maintained by database server 316. Records contain information for a particular
20 element relating to something in system 100 and they are grouped into three groups: question records 402, control document records 404 and user records 406. Question records 402 are data structures containing information about questions provided to the users. Control document

records 404 contain information about control documents associated with the questions. User records 406 structures contain information about the users and their associated companies. It will be appreciated that the contents of all the records enable system 100 to assign users to questions, track answers to questions provided by users, match questions to control documents, track deadlines associated with control documents, evaluate answers provided by users, create compliance reports, and other features.

Each record contains data relating to its associated element in the group. For example, a question record contains a question ID # and a default answer. Each record may also have a link to another record. When a link is to another record of in the same group (i.e., question group, control group or user group), the link defines a hierarchical structure between the records. Records also define data associated with each level of hierarchy. Generally, a link is established between two records by having each record contain a common field therein. Links are represented in Fig. 4 by a directional line connecting a linking record to a linked record. The head of the line points to a linked record and is shown as a dot. Unless otherwise noted each link represents a 1:N relationship of "1 linking record to N linked records". While various values may be stored in each common field by many records, when two records are to be linked, the values set by system 100 for the fields are set to be identical or to other values known by system 100 to establish the link. As such, an appropriate SQL query against all records will be able to extract records having a common relationship, defined by the value in the common fields. In system 100, a level in the hierarchy is identified by having a suffix "master" in its record name; a data record is identified by having a suffix "data" in its name. Although the data structures illustrated herein are used by the embodiment to define a tree-type hierarchy of links, it will be

appreciated that other hierarchical structures such as a flatter structure or a more depth-wide structure may be employed in other embodiments.

Records in one group may also be linked to records in another group, e.g. a link may be provided from a record in a question group to a record in a control group. Such a link provides a mechanism for associating information in one group to another group. For example, a question record related to a specific question is linked to a control document record related to the control document associated with the question. The link establishes a relationship in the database which reflects the relationship existing between the question and the control document.

Specifically, control document records 404 are structured as follows. Each control
10 document 222 is associated with a set of control document records 404. For the purposes of
illustration, Audit Control Document 222 is abstracted to it represented control document records
404. At the head of the set of control document records 404 is a control document master record
408, relating to the master level 224 (Fig. 2B(ii)) of related control document 222. Control
master record 408 has several fields therein including: ID field 408A; name field 408B; doc#
field 408C; and help ID file 408D. Control master record 408 has a series of section master
records 410 associated with it; each section master record relates to one section level 226 (Fig.
2B(ii)) of related control document 222. Each section master record 410 may have a series of
subsection master records 412 associated with it; each subsection master record relates to one
subsection level 228 (Fig. 2B(ii)) of related control document 222. Each subsection record 412
20 may have a series of subordinate paragraph master records 414 associated with it; each
subordinate paragraph master record 414 relates to a paragraph level data 230 (Fig. 2B(ii)) of
related control document 222. Each subordinate paragraph master record 414, may have a series

of point master records 416 associated with it; each point master record 416 relates to a point level master record 232 (Fig. 2B(ii)) of related control document 222.

Also for each set of control document records 404, each “master” record therein may be associated with one or more corresponding data records. The data in the record contains information relating to the datum in the control document at that hierarchy level. As such, control master record 408 is associated with one control data record 418; each section master record 410 is associated with one or more section data records 420; each subsection master record 412 is associated with one or more subsection data records 422; each paragraph master record 414 is associated with one or more paragraph data record 424; and each point master
10 record 416 is associated with one or more point data records 426. Each data record typically has several fields located therein. For example, control data record 418 has several fields therein including: ID field 418A; name field 418B; and doc# field 418C.

Similarly, each questionnaire provided by system 100 has a set of question records 402 related to it. Each set of question records 402 is organised into a hierarchical data structure wherein questionnaire master record 428 is at the head. It is linked to one or more question group master records 430. Each question group master record is linked to one or more questions 432. For each “master” record, there is a link to one or more “data” records. Questionnaire master record 428 is linked to one or more questionnaire data records 434; and each question group master record 430 is linked to one or more question group data records 436. As with other
20 records, each question record 402 typically has several fields located therein. For example, questionnaire data record 434 has several fields therein including: ID field 434A; name field 434B; and doc# field 434C.

In operation of system 100, each question group provided to a user will have an associated question group master record 428 and question group data record 434 associated with it. Further each question in each question group 436 will have a question data record 432 associated with it. Each question data record 432 has the following fields: question ID field 432A; question group ID field 432B; question # field 432C; question data field 432D; and a question default answer field 432E, which contains the expected correct answer for the question.

Each user is associated with a set of user group records 406. At the head of each set of user group records 406 is a user record 438. Fields of each user record 438 include: user ID field 438A; user name field 438B; company ID field 438C and password field 438D. Each user
10 record 438 is associated with one or more company records 440 to provide a link between a user and his company. Fields of each company record 438 include: company ID field 440A; company name field 440B; and company symbol field 440C. Each user record 438 is also associated with one or more user set-up records 442 and one or more authorisation records 444. Each company record 440 is associated with one or more company set-up document records 446. Further each company set-up document record 446 is associated with one or more company set-up records 448 and each company set-up record 448 may be linked to one or more organisation records 450. Organisation records 450 reflect associations between titles of positions in a company and default question groups assigned to users having those titles per information provided in organisation template 204 (Fig. 2B(i)).

20 System 100 can identify a set of questions assigned to specific users by exploiting links between question records 402 and control document records 404 and between control document records 404 and user records 406. Specifically, question records 402 are linked to control

document records 404 via fields in question group records 430 and subsection master record 412.

Each record has a subsection ID field: subsection ID field 430A in question group record 430, subsection ID field 412A in subsection master record 412. As such, an appropriate SQL query can be made against all question group records 430 and all subsection master group records 412

on fields 430A and 412A to identify all question groups having a connection to a particular control document, based on the contents of fields 430A and 412A. Next, user records 406 are

linked to control document records 404 via fields in company setup document records 446 and control document master record 408. Each record has a Control Document ID field: CDoc ID

field 446A in company setup document record 446; CDoc ID field 408A in control document

10 master record 408. As such, an appropriate SQL query can be made against all company setup master records 440 and all control document master records 408 on fields 446A and 408A to

identify all companies having a connection to a particular control document, based on the

contents of fields 440A and 408A. Further, a three way link can be made between control

document records 404, user records 406 and question records 402 using appropriate SQL queries

which utilise the above-mentioned common fields. As such, using the above described data

structure, system 100 can track a series of companies having different company types on

different stock exchanges, a series of control documents for various listings and a series of

questions for each of the control document in the database. Using the relationships amongst the

records system 100 can identify: specific companies on specific exchanges, control documents

20 for specific audit questions for specific exchanges and questions related to those specific control

documents. As such, a user at a specific company can be linked to a specific control document

and a specific question from all records in the database. It will be appreciated that other data

structures and linkages amongst records containing information about companies, questions and requirements may be provided to accomplish a similar task.

Aspects of operation of system 100 are further illustrated with the following example wherein a CFO at Company X, which is listed on the TSE has been assigned to answer Audit Questions by the CEO.

Therein, the CFO accesses the web-site of system 100 from his office and signs on through login screen 200 (Fig. 2A). The CFO is presented with a screen showing all of the question groups which were assigned to him by the CEO. Corresponding to each question group, there is an html link to the associated control document, which he may review to see what regulations underlie the question group. He activates the link for the Audit Report and Question Group 208 is presented to him (Fig. 2C). For question group 208, questions are provided to him in a series of screens. After he has provided answers to each of the questions on one screen, he completes confirmation box 218 with a "Y". At that point, all answers for the questions for that screen are provided to system 100. As noted above answers are stored in a decision matrix in the database in database 316. Also, each question provided to the CFO is associated with a question record 432. As such, each question record 432 provides links to the associated question group data record 436 and the associated questionnaire. For the example, it is presumed that the CFO answers all questions in question group 208 presented to him.

Next, the CEO accesses system 100 from his office through login screen 200 and actively reviews the status screen of reports generated by system 100 for Company X. In the report screen, system 100 allows the CEO to choose which report he wishes to have generated, either:

an organisational compliance report, an internal compliance report or an audit compliance report.
The CEO selects the audit compliance report.

Thereafter, system 100 is initiated to evaluate the compliance of Company X to the requirements of the Audit Report, based on the information in the database in database server 316 at that time. As the database includes records of all companies and all users of all companies whom have access to system 100, system 100 access the following information therein about Company X and its users: the company ID, the user IDs and the Company type. Requesting an Audit Compliance Report also generates a cookie for system 100, identifying the type of report being requested. As noted earlier, the user and company information are keys
10 which are used to identify the appropriate control documents and question groups for the company and the user. As several companies in several jurisdictions may be using system 100 contemporaneously, there may be multiple control documents covering audit controls for different jurisdictions. From the information relating to the company, the user and the report, system 100 derives the following information from records in the database by providing appropriate SQL queries against the known structures of the records in the database:

Control master records 408 associated with a company type;
Question Group master records 428 associated with the control master records 408
Users associated with the question group master records 428;
Question data records 436 associated with group master records 428;
20 Default answers within each question data record 436;
Answers provided by users; and
Status of question groups associated with the users.

From the queries, an answer data structure is created which contains the following entries gathered from all entries in the database meeting the above criteria:

Control Document : Question Group : Question Group Status : Question :
Answered by : Answer : Default Answer

The data in the answer data structure is then sorted by the entries in the Question Group Field.

Next, to determine generate a compliance report, a compliance evaluation process in system 100 then evaluates the entries in the answer data structure against the following criteria:

If Answer != Default Answer && Question Group Status = Complete
Then Answers to Question Group are Non-Compliant
Else If Answer = Default Answer && Question Group Status = Complete
Then Answers to Question Group are Non-Compliant
Else If Question Group Status = Incomplete
Then Question Group is Pending Completion
Else If Question Group Status = Pending Allocation
Then Question Group is Pending Allocation

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If necessary, the evaluation is repeated for all questions of assigned to that user. If compliance to another larger issue requires additional answers from other question groups (whether or not from the same user), then appropriate nested extractions from the database may be accomplished and subsequent evaluations made.

Using the results of the evaluation, a summary of all governance reports is generated by system 100 and is provided in a series of reports, such as exemplary Compliance Governance Report 244. As answer data structure contains information relating to the control document, question group and user, report 244 produces for any question group, the report provides a row of data containing an indication of a question group, its compliance status (Pending Completion, Pending Allocation, Compliant, Non-compliant), the user assigned to question group, the related questionnaire and the related control document. The indications are provided as html links. As such, if a report is "Non-compliant", the CEO can access the related control document through

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its html link to view the associated control document 222. The CEO may also send an email to the user to initiate remedial action for the non-compliant report.

Next, if the CEO wishes to view up-coming calendar event, he returns to the main menu and selects the “calendar” option. As noted before, calendar screen 256 (in Fig. 2F) is provided to him, enabling him to request a specific month calendar for viewing. Once the month is selected, the system accesses the database controlled by database server 316. Based on the user (the CEO), the company (Company X) the requirements defined in the control documents and the selected month, system 100 generates a SQL query against the database to identify all notable events within the selected month. System 100 processes the results and generates a user-friendly calendar format, presenting any event as an html link in the calendar. Activation of the link will generate a further screen indicating the reasons for the event and the users in the system responsible for completing reports associated with the event. At this time, the super user may override any status of any report, e.g. changing a “non-compliant” report to “compliant”. All changes are tracked and noted in the audit report.

Another feature of system 100 provides the CEO with a screen where he can review the current status of all reports. When the status screen is accessed, system 100 uses a SQL query to generate a data structure based on the company name to find all users associated with the company and all the question groups related to the company. From the entries in the resultant data structure, system 100 generates a screen indicating the question group, its related questionnaire and the status the answers in the question group (e.g. whether the question group has been assigned to a user or completed by a user).

It will be appreciated that using the database, appropriate links amongst users, question groups, help files, control documents, answers and deadlines associated with companies may be generated by providing appropriate queries to the database. Once the required set of records is extracted from the database, the reports can be provided as screen reports to the super user and the users.

It will be appreciated that in other embodiments, other relationships amongst question groups, answers and control documents can be provided. In one exemplary other relationship, the logic requirements contained in the control documents may be hardcoded into a processing module in the other embodiment.

- 10 It is noted that those skilled in the art will appreciate that various modifications of detail may be made to the present embodiment, all of which would come within the scope of the invention.